

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1506005-000

Total Deleted Page(s) = 7

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(12/31/1995)

# FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE

**Date:** 09/27/1999

**To:** CID

**Attn:** Corruption/Civil  
Rights Section,  
Public Corruption Unit

**From:** New York

C-14 Public Corruption

**Contact:** [REDACTED] 212-384-3792

**Approved By:** [REDACTED]

**Drafted By:** [REDACTED]

**Case ID #:** 194C-NY-265503

**Title:** UNSUB(S);  
PHILIP CARUSO, FORMER PRESIDENT,  
NEW YORK CITY POLICEMEN'S  
BENEVOLENT ASSOCIATION (NYCPBA);  
[REDACTED] NYCPBA;  
CORRUPTION OF STATE AND LOCAL  
PUBLIC OFFICIALS - LAW ENFORCEMENT  
OO:NY

**Synopsis:** Request to close captioned matter.

**Enclosures:** Enclosed for Criminal Investigative Division(CID),  
Corruption/Civil Rights Unit, are two copies of the self  
explanatory closing Letterhead Memorandum(LHM).

**Details:** See enclosures.

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BY [REDACTED] ON 12/7/00

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WITH/TEXT \_\_\_\_\_  
WITH/OUT TEXT \_\_\_\_\_  
BY [REDACTED]  
DATE [REDACTED] 12/7/00

JSM  
CLOSE ON THIS 10/2/00

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194C-NY-265503-7

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FBI - NEW YORK	

(12/31/1995)

# FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE

**Date:** 02/06/1998

**To:** New York

**Attn:** SAC, Division II

**From:** New York

Squad C-14, Public Corruption

**Contact:** [REDACTED] 212-384-3792

**Approved By** [REDACTED]

**Drafted By:** [REDACTED]

**Case ID #:** 194C-NY-NEW

**Title:** UNSUB(S);

PHILIP CARUSO;  
FORMER PRESIDENT, NEW YORK CITY  
POLICEMEN'S BENEVOLENT ASSOCIATION (NYCPBA);

[REDACTED] NYCPBA;  
CORRUPTION OF STATE AND LOCAL  
PUBLIC OFFICIALS - LAW ENFORCEMENT  
OO:NY

**Synopsis:** Request to open a Full Investigation on the above captioned subjects.

**Details:** In accordance with the policy regarding public corruption investigations, the authority of the SAC, Division II, is requested to open a full investigation.

This matter is a spin off of 194C-NY-247141. In that investigation, [REDACTED] of the Benevolent Association of the New York City Transit Police (TPBA) was convicted of accepting bribes from [REDACTED] the law firm on [REDACTED] and [REDACTED] (LLK) in exchange for legal contracts. [REDACTED] and [REDACTED] were also convicted of bribery. Additionally, [REDACTED] was convicted in the above matter. [REDACTED] with LLK in 1989 after [REDACTED] and later became the [REDACTED] for both the TPBA and the New York City Policemen's Benevolent Association (PBA).

Philip Caruso retired as president of the PBA in 1995. At that time, the three New York City police unions, (Patrolmen, Housing and Transit) merged into the PBA, creating a collective force of more than 30,000 officers. [REDACTED]

[REDACTED] of the PBA after Caruso retired. Both Caruso and [REDACTED] were New York City Police Department (NYPD) Officers. Upon becoming members of the PBA board, Caruso and [REDACTED] were released from their daily duties as patrolmen in order to allow

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DO NOT DESTROY - PENDING LITIGATION

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them to work full time as union representatives.

A review of records in the above matter revealed that Caruso began receiving \$200,000 annually from LLK for "consulting services" shortly after his retirement from the PBA. A Federal Grand Jury (FGJ) subpoena, Duces Tecum, SDNY, [redacted]

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[redacted] The Government was notified by the attorneys representing [redacted] served with a FGJ subpoena, SDNY, [redacted]

Interviews conducted by the NYO during the investigation also revealed that [redacted] the former [redacted] to Caruso and [redacted] left the PBA in 1996 because [redacted] The interviews revealed that [redacted] entered into an agreement with the PBA and LLK, whereby she was given a consulting contract with LLK and a \$40,000 payout from PBA funds. Records obtained from [redacted] revealed that the consulting agreement was drawn to compensate her for the salary she would have earned had she remained an [redacted] and the lump sum payout was to cover the legal fees incurred negotiating the settlement. The consulting agreement is in effect through the year 2000, and states specifically that [redacted] does not have to actually perform any work for LLK. Caruso was responsible for initiating the negotiations with LLK after [redacted] informed him of the [redacted] [redacted] A review of telephone records indicates that [redacted] was probably involved in the settlement negotiations as well.

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Assistant United States Attorney [redacted] United States Attorney's Office, SDNY, advised that she would commit to a prosecution in violation of Title 18, United States Code, Sections, 371, and 1343, if corroborative evidence is developed to substantiate the allegations.

This is not a high impact investigation involving a present or former high ranking public official and is not highlighted by national media requiring an immediate communication to FBIHQ.

A separate Electronic Communication(EC), and a self-explanatory Letterhead Memorandum(LHM), will be forwarded to FBIHQ, Criminal Investigative Division, Corruption/Civil Rights Section, Public Corruption Unit, within ten(10) working days, that outlines the facts of this matter, the United States Attorney's prosecutive opinion, and the violations of Federal statutes.

SSA APPROVAL



2/17/98

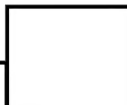
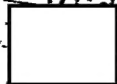
SAC APPROVAL:

W. J. Heston 2/17/98

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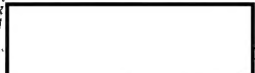
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20 Mar 98

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U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

26 Federal Plaza  
New York, New York 10278  
February 26, 1998

UNSUB(S);  
PHILIP CARUSO,  
FORMER PRESIDENT, NEW YORK CITY  
POLICEMEN'S BENEVOLENT ASSOCIATION (NYCPBA);  
[REDACTED]  
[REDACTED] NYCPBA;  
CORRUPTION OF STATE AND LOCAL  
PUBLIC OFFICIALS - LAW ENFORCEMENT  
00:NY

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This matter was predicated upon information obtained during the course of the investigation of [REDACTED] of the Benevolent Association of the New York City Transit Police (TPBA) who was convicted of accepting bribes from [REDACTED] of the law firm of [REDACTED] (LLK), in exchange for legal contracts. [REDACTED] and [REDACTED] were also convicted of bribery. Additionally, [REDACTED] was convicted in the above matter. [REDACTED] was the [REDACTED] for both the TPBA, and the NYCPBA. [REDACTED] in 1989, and [REDACTED] into LLK that same year.

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Philip Caruso retired as president of the PBA in 1995. At that time, the three New York City police unions, (Patrolmen, Transit, and Housing) merged into the PBA, creating a collective force of more than 30,000 officers. [REDACTED] of the NYCPBA after Caruso retired.

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Both Caruso and [REDACTED] were New York City Police Department (NYPD) officers. Caruso and [REDACTED] were released from their daily duties as patrolmen upon becoming members of the PBA board in order to allow them to work full time as union representatives.

A review of records in the above matter revealed that Caruso began receiving \$200,000 annually from LLK for "consulting services" shortly after his retirement from the PBA. [REDACTED]

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The government was notified by the [REDACTED]

DO NOT DESTROY - PENDING LITIGATION

attorneys representing [REDACTED]  
[REDACTED]

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Interviews conducted by the New York Office during the investigation also revealed that [REDACTED] the former [REDACTED] to Caruso and [REDACTED] left the NYCPBA in 1996 because [REDACTED]. The interviews revealed that [REDACTED] entered into an agreement with the NYCPBA and LLK, whereby she was given a consulting contract with LLK and a \$40,000 payout from PBA funds. Records obtained from [REDACTED] revealed that the consulting agreement was drawn to compensate her for the salary she would have earned had she remained an [REDACTED] and the lump sum payout was to cover the legal fees she incurred negotiating the settlement. The consulting agreement is in effect through the year 2000, and states specifically that [REDACTED] does not have to actually perform any work for LLK. Caruso was responsible for initiating the negotiations with LLK after [REDACTED] informed him of the [REDACTED]. [REDACTED] A review of telephone records indicates that [REDACTED] was probably involved in the settlement negotiations as well.

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Assistant United States Attorney, [REDACTED] United States Attorney's Office, SDNY, concurred that an investigation be conducted regarding the circumstances of: (1) Caruso's consulting contract; (2) the \$40,000 payout to [REDACTED]; and (3) the consulting agreement between [REDACTED] and LLK. [REDACTED] expressed her commitment to prosecute this matter under Title 18, United States Codes 371 and 201 if it can be demonstrated that a public official misused his/her official position in connection with the above circumstances, in exchange for receipt of something of value.



(12/31/1995)

# FEDERAL BUREAU OF INVESTIGATION

**Precedence:** ROUTINE

**Date:** 02/27/1998

**To:** Criminal Investigative

**Attn:** Corruption/Civil  
Rights Section,  
Public Corruption Unit

**From:** New York

C-14 Public Corruption

**Contact:** [REDACTED]

212-384-3792

**Approved** [REDACTED]

**Drafted By:** [REDACTED]

**Case ID #:** 194C-NY-265503

**Title:** UNSUB(S);  
PHILIP CARUSO, FORMER PRESIDENT,  
NEW YORK CITY POLICEMEN'S  
BENEVOLENT ASSOCIATION (NYCPBA);  
[REDACTED] NYCPBA;  
CORRUPTION OF STATE AND LOCAL  
PUBLIC OFFICIALS - LAW ENFORCEMENT  
OO:NY

**Synopsis:** Enclosed for FBIHQ, Criminal Investigative  
Division(CID), is the Letterhead Memorandum(LHM) for the above  
captioned matter.

**Enclosures:** For CID, one copy of the LHM for the above captioned  
matter.

**Details:** None.

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WITH/CU [REDACTED]

BY [REDACTED]

DATE 3 Mar 98

194C-NY-265503

[REDACTED]

02/27/1998

[REDACTED]

[REDACTED]

[REDACTED]

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/1/98

[redacted] date of birth, [redacted] residing at [redacted]  
[redacted] was interviewed at the  
offices of the United States Attorney, Southern District of New  
York (SDNY), One, St. Andrew's Plaza, New York, New York. Present  
at the interview were Special Agent [redacted] Federal  
Bureau of Investigation (FBI), Assistant United States Attorneys  
[redacted] and [redacted], SDNY, and [redacted] attorney,  
[redacted] of Howard, Darby, and Levin, telephone number  
[redacted] was advised of the identities of the  
interviewers and the nature of the interview. [redacted] provided the  
following information:

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b7CInvestigation on 11/16/98 at New York, New YorkFile # 194C-NY-265503-4 Date dictated \_\_\_\_\_by SA [redacted]b6  
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BY [redacted]  
DATE 2/17/99

196M-265503-4

[redacted]	[redacted]
[redacted]	[redacted]
FBI - NEW YORK	
[redacted]	

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/14/98

[redacted] date of birth, residing at [redacted]  
[redacted] was interviewed at the offices of the  
Federal Bureau of Investigation (FBI), 26 Federal Plaza, New York,  
New York. Present at the interview were Special Agent [redacted]  
[redacted] of the FBI and [redacted] attorney for [redacted]  
[redacted] was advised of the identity of the interviewing agent and  
the nature of the interview. [redacted] provided the following  
information:

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[redacted] advised that on 11/23/98, she received a call at home  
from an unidentified number. [redacted] advised that the number was  
[redacted]

[redacted] also advised that the check she received from [redacted]  
and [redacted] came from [redacted]

[redacted] advised that Phil Caruso had [redacted] sit in on  
important meetings early on, (prior to Caruso's retirement), so  
that [redacted] could familiarize himself with the position.

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[redacted] advised that Caruso wrote all his memos by hand and  
usually kept the corrected copy. [redacted] stated that the copies  
were actually maintained [redacted] in a file behind [redacted] in  
the PBA office. [redacted] added that Caruso was a "big writer", and  
frequently corresponded with other individuals and agencies.  
[redacted] stated that [redacted] was not a "big writer."

[redacted] advised that she received paged by [redacted] very  
close to the time she left the PBA. [redacted] stated that [redacted] was  
a PBA [redacted] with Caruso, and very good friends with [redacted]  
[redacted] stated that she thought that [redacted] got her beeper number  
from [redacted] [redacted] stated that she was not sure if  
[redacted] would have given her beeper number to [redacted]

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Investigation on 11/23/98 at New York, New York

File # 194C-NY-265503/194C-NY-265504-6 Date dictated \_\_\_\_\_

by SA [redacted]

194C-NY-265503/194C-NY-265504

Continuation of FD-302 of [REDACTED]

, On 11/23/98 , Page 2

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[REDACTED] advised that [REDACTED] was a friend of [REDACTED]  
and that [REDACTED] for the PBA.

[REDACTED] advised that [REDACTED] who was a  
friend of [REDACTED] stated that [REDACTED]  
[REDACTED] for the PBA. [REDACTED] added that at some point  
Caruso stopped using [REDACTED] but she did not know why. [REDACTED]  
stated that [REDACTED] also provided [REDACTED] for the PBA, and  
that he used an out-of-state vendor to actually do the [REDACTED] job  
for him. [REDACTED] added that [REDACTED] also made the PBA [REDACTED] which  
[REDACTED] at the PBA office. [REDACTED] also recalled that [REDACTED]  
[REDACTED] worked for [REDACTED] and thought that maybe [REDACTED]  
referred [REDACTED] to the PBA.

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BY ☐  
DATE ☐ 2/17/99

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FBI - NEW YORK		
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( SEP 27 2000 )  
FBI — NEW YORK

U.S. Department of Justice



Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

26 Federal Plaza  
New York, New York 10278  
September 27, 2000

UNSUB(S);  
PHILIP CARUSO,  
FORMER PRESIDENT, NEW YORK CITY  
POLICEMEN'S BENEVOLENT ASSOCIATION (NYCPBA);  
[REDACTED]  
[REDACTED] NYCPBA;  
CORRUPTION OF STATE AND LOCAL  
PUBLIC OFFICIALS - LAW ENFORCEMENT  
00:NY

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This matter was predicated upon information obtained during the course of the investigation of [REDACTED] of the Benevolent Association of the New York City Transit Police (TPBA) who was convicted of accepting bribes from [REDACTED] of the law firm of [REDACTED] (LLK), in exchange for legal contracts. [REDACTED] and [REDACTED] were also convicted of bribery. Additionally, [REDACTED] was convicted in the above matter. [REDACTED] was the [REDACTED] for both the TPBA, and the NYCPBA. [REDACTED] in 1989, and [REDACTED] into LLK that same year.

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Philip Caruso retired as president of the PBA in 1995. At that time, the three New York City police unions, (Patrolmen, Transit, and Housing) merged into the PBA, creating a collective force of more than 30,000 officers. [REDACTED] of the NYCPBA after Caruso retired.

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Both Caruso and [REDACTED] were New York City Police Department (NYPD) officers. Caruso and [REDACTED] were released from their daily duties as patrolmen upon becoming members of the PBA board in order to allow them to work full time as union representatives.

A review of records in the above matter revealed that Caruso began receiving \$200,000 annually from LLK for "consulting services" shortly after his retirement from the PBA. [REDACTED]

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[REDACTED]  
[REDACTED] The government was notified by the



attorneys representing [redacted]  
[redacted]

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Interviews conducted by the New York Office during the investigation also revealed that [redacted] the former [redacted] to Caruso and [redacted] left the NYCPBA in 1996 because [redacted]. The interviews revealed that [redacted] entered into an agreement with the NYCPBA and LLK, whereby she was given a consulting contract with LLK and a \$40,000 payout from PBA funds. Records obtained from [redacted] revealed that the consulting agreement was drawn to compensate her for the salary she would have earned had she remained an [redacted] and the lump sum payout was to cover the legal fees she incurred negotiating the settlement. The consulting agreement is in effect through the year 2000, and states specifically that [redacted] does not have to actually perform any work for LLK. Caruso was responsible for initiating the negotiations with LLK after [redacted] informed him of the [redacted].  
[redacted] A review of telephone records indicates that [redacted] was probably involved in the settlement negotiations as well.

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While the investigation revealed evidence of the Caruso consulting payment, no quid pro quo was found. No other corroborative documents or testimony was uncovered to substantiate that the consulting contract was in exchange for the bribes to LLK. The [redacted] matter is currently being pursued in civil court, and due to the sensitive nature of the [redacted] allegations, the SDNY agreed to delay further investigation and/or prosecution until [redacted] had resolved the civil matter.

In September 1999, AUSA [redacted], Chief of the Public Corruption Unit, SDNY, advised that his office is declining further prosecution of this matter in as much as logical investigation has not produced substantiation of the predicate information.

194C-NY-245503

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FEB 24 1998	
[Redacted]	

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BY  
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